

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
EASTERN DIVISION

MARTHA SEXTON

PLAINTIFF

V.

CIVIL ACTION NO. 1:99CV-155-B-A

THE CANADA LIFE ASSURANCE COMPANY
and FALCON PRODUCTS, INC.

DEFENDANTS

MEMORANDUM OPINION

This cause comes before the court on the defendants' motion for summary judgment.¹ Upon due consideration of the parties' memoranda and exhibits, the court is ready to rule.

FACTS

The plaintiff filed suit against the defendants claiming that she was entitled to long-term disability benefits which defendants had denied. The plaintiff was employed by Falcon Products, Inc. for seventeen years, and she was a supervisor in Falcon's packing department at the time her claimed disability arose. The Canada Life Assurance Company ("Canada Life") was the administrator of the group long-term disability plan of Falcon Products, Inc. In 1997, the plaintiff was diagnosed with Chronic Fatigue Syndrome ("CFS"). On November 24, 1997, the plaintiff's doctor gave the opinion that she was incapable of holding any employment requiring sustained physical activity of longer than thirty minute durations.

The plaintiff filed a claim for long-term disability benefits based on the assertion that her diagnosed condition of CFS rendered her unable to perform her job duties. Canada Life denied the plaintiff's claim based upon the absence of any evidence that she suffered from a long-term disability

as defined by the plan. This plan included the following:

"Total disabled" means that the person is unable to work and fulfills either of the two conditions below:

¹On February 28, 2000, Falcon Products, Inc. filed a joinder with The Canada Life Assurance Company's motion for summary judgment.

Condition 1 – During the elimination period and for the next 36 months after the elimination period in a continuous period of disability, the person is unable to perform the substantial and material duties of his own occupation, or

Condition 2 – After the elimination period plus the next 36 months in a continuous period of disability, the person is unable to perform the substantial and material duties of any occupation for which he is qualified in view of his age, education, experience, and physical and mental capacity.

The plaintiff requested a second review of her claim. Canada Life complied with this request and reaffirmed its denial of the plaintiff's claim based upon the plaintiff's failure to submit any new information as to her medical condition which was requested by Canada Life. The plaintiff then retained an attorney who requested a third review of her claim. Canada Life again reaffirmed its denial of the plaintiff's claim after again requesting new information on the plaintiff's condition and the plaintiff's failing to provide any new or additional information. Upon this third denial of long-term benefits, the plaintiff brought this cause.

LAW

On a motion for summary judgment, the movant has the initial burden of showing the absence of a genuine issue of material fact. Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986) (“the burden on the moving party may be discharged by ‘showing’ . . . that there is an absence of evidence to support the non-moving party’s case”). Under Rule 56(e) of the Federal Rules of Civil Procedure, the burden shifts to the non-movant to “go beyond the pleadings and by . . . affidavits, or by the ‘depositions, answers to interrogatories, and admissions on file,’ designate ‘specific facts showing that there is a genuine issue for trial.’” Celotex Corp., 477 U.S. at 324. That burden is not discharged by “mere allegations or denials.” Fed. R. Civ. P. 56(e). All legitimate factual inferences must be made in favor of the non-movant. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986). Rule 56(c) mandates the entry of summary judgment “against a party who fails to make a showing sufficient to establish the existence of an element essential to that party’s case, and on which that party will bear the burden of proof at trial.” Celotex Corp., 477 U.S. at 322. Before finding that no genuine issue for trial exists, the court must first be satisfied that no reasonable trier

of fact could find for the non-movant. Matsushita Elec. Indus. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986).

Unless the terms of the plan give the administrator “discretionary authority to determine eligibility for benefits or to construe the terms of the plan,” an administrator’s decision to deny benefits is also reviewed de novo. Firestone Tire & Rubber Co. v. Bruch, 489 U.S. 101, 115 (1989). If the language of the plan grants such discretion, a court will reverse an administrator’s decision only for abuse of discretion. Firestone Tire & Rubber Co., 489 U.S. at 115. Regardless of the administrator’s ultimate authority to determine benefit eligibility, however, factual determinations made by the administrator during the course of a benefits review will be rejected only upon the showing of an abuse of discretion. See Pierre v. Connecticut Gen. Life Ins. Co., 932 F.2d 1552, 1562 (5th Cir. 1991).

In applying the abuse of discretion standard, the court is to determine whether the plan administrator acted arbitrarily or capriciously. Dowden v. Blue Cross & Blue Shield of Texas, Inc., 126 F.3d 641, 644 (5th Cir. 1997). “An arbitrary decision is one made without a rational connection between the known facts and the decision or between the found facts and the evidence.” Dowden, 126 F.3d at 644. Under the standard of review, it is the plaintiffs’ burden to prove that the administrator of the plan acted arbitrarily and capriciously. Id.

The plaintiff claims that Canada Life acted arbitrarily and capriciously in the denial of her claim because the denial was not reasonably related to the medical evidence presented. In the initial claim of the plaintiff, Canada Life’s appointed doctor recommended a psychiatric IME for the plaintiff. The plaintiff claims that this recommendation was not followed by Canada Life and this failure to perform the psychiatric test indicated Canada Life’s arbitrary and capricious actions early in the plaintiff’s claim process. However, the plaintiff brought this claim for benefits regarding her CFS, and she did not originally claim a psychological disability or present evidence of a psychological disorder during the administrative proceedings. The mere fact that the doctor recommended a psychiatric IME does not require the defendants to pursue that test.

The plaintiff also claims that Canada Life acted arbitrarily and capriciously by denying her claim when they stated that she failed to produce any objective evidence that she suffered from a physical disability under the plan when Canada Life had noted in a memorandum that CFS could not be objectively diagnosed. The plaintiff produced the opinion of her physician, Dr. Donald W. Ratliff, stating that the plaintiff's condition was one where she was "incapable of holding any employment requiring sustained physical activity of longer than thirty minutes duration." The defendants rebutted this by stating there was substantial evidence in the administrative record that the plaintiff was not disabled under the terms of the plan. The defendant relied on the plaintiff's diagnosing physician's statement that there was "virtually no evidence for any physical illness." Canada Life considered all of the information supplied by the plaintiff three times, and each of these times, Canada Life further requested additional medical information relating to the plaintiff's claim but none was provided. Dr. Ratliff's opinion was the only evidence of any limitations or restrictions of the plaintiff's condition.

After receiving no additional information from the plaintiff upon multiple requests, Canada Life made a reasonable and impartial decision to deny the claim. In the light of the entire circumstances and evidence surrounding the denials of the claim, it is the opinion of the court that Canada Life's factual determination that the plaintiff was not suffering from a long-term disability within the meaning of the policies was not an abuse of discretion.

CONCLUSION

For the foregoing reasons, the court finds that the defendants' motion for summary judgment should be granted. An order will issue accordingly.

THIS, the ____ day of May, 2000.

NEAL B. BIGGERS, JR.
CHIEF JUDGE